

InsideTVA

looking inside

March 2006

Volume 27, Issue 3

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Charting *the course*

At the midpoint of fiscal year 2006, TVA has a lot behind it — and it has a great deal in front of it, too.

That was the message Tom Kilgore, president & chief operating officer, conveyed to the Business Council March 14.

“Last year was our power system’s best performance ever,” he says. “This year, we have some new and exciting opportunities. Our immediate opportunities are working with a new nine-member part-time board and some important rate issues.

“All of you and every employee con-

tinue to make us proud as you continue to help TVA become a great company.

“However, extraordinary increases in the cost of fuel, specifically coal and natural gas, have caused TVA to spend a lot more than we had budgeted for this fiscal year.”

Although TVA has absorbed some of those costs, a 9.95-percent rate increase will go into effect in April. That increase will generate about \$276 million in cash for fiscal year 2006. Since this is little more than half the additional cash need-

ed, the company will need to reduce cash reserves by \$113 million and cash expenditures by \$130 million.

In February, Kilgore established four cash-reduction teams to explore how TVA could target \$130 million in cash savings and deferrals this year. Team members worked hard to find all possible savings and provided the opportunity for employees to make suggestions.

“My philosophy is that we must be

See “Charting the course” on page 4

Fossil plants raise performance bar in FY '05

Like a well-known battery-operated bunny, fossil units kept on running and running

Typically, “more” and “bigger” describe record-breaking performance, but sometimes lower is better, especially when it comes to forced-outage rates at fossil plants. However, the reverse is true for equivalent availability factor at such facilities.

In 2005, the 59 units of the TVA fossil system had the lowest equivalent forced-outage rate and the highest equivalent availability factor in the company’s history.

“Fossil Power Group employees worked hard last year to keep our plants performing well,” says Fossil Power Group Exec-

utive Vice President Joe Bynum. “Their efforts helped TVA meet the record-breaking demand from our customers last summer and raised the bar for our performance in doing so.”

Like “bad” cholesterol, a low EFOR score is good. EFOR represents the percentage of time a unit was unavailable due to unplanned maintenance or repair work. In 2005, the overall EFOR for TVA fossil plants was 4.6 percent.

And like “good” cholesterol, a high EAF number is good.

See “Fossil plants” on page 3

what's new

in employee news

Second round of CHI surveys to start April 24

The second Cultural Health Index survey for 2006 is scheduled to be e-mailed to one-third of randomly selected employees Monday, April 24. Employees who receive the survey will have two weeks — until Friday, May 5 — to respond.

Watch *TVA Today* for more information about this survey.

Ultimately, all employees will have a chance to participate this year.

In January, employees provided more than 2,700 written comments. Many of the comments pointed out opportunities for improving productivity and operational efficiencies.

All responses are anonymous and confidential. Responses will not be linked to any particular computer or log-on ID.

High-level summary results of the April CHI survey are expected to be made available to employees by the end of May.

Inside TVA

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Hairston named Communications SVP

Senior Vice President of Employee Relations & Diversity Peyton Hairston Jr. has been named senior vice president of Communications on an interim basis. He will report to President & Chief Operating Officer Tom Kilgore.

Hairston fills the position left by Executive Vice President of Communications Ellen Robinson, who elected to resign from TVA to explore new opportunities.

Kilgore anticipates Hairston will continue in this role until the expanded TVA Board selects a chief executive officer. The CEO would then hire a permanent Communications officer.

"Peyton joined TVA in May 1993 and brings a proven combi-

nation of leadership skills, organizational understanding and relationship-building success," Kilgore says. "While he is in this position, the Equal Opportunity Compliance & Diversity Development functions will continue to report to him."

Industrial Relations Senior Manager David Beckler will serve as senior vice president of Labor Relations on an interim basis, reporting to Administrative Services Executive Vice President John Long.



Peyton Hairston

Swafford to join TVA Nuclear as SVP of Nuclear Support

Preston Swafford, currently senior vice president of Exelon Energy Delivery Technical Services, has been named to the new position of senior vice president of Nuclear Support in TVA Nuclear. He will join TVAN May 1.

"I'm very pleased to have Preston join the TVAN team," says Chief Nuclear Officer Karl Singer. "His extensive and diversified experience, as well as his knowledge of fleet operations, will be extremely valuable to us as we strive to further improve our performance in safety and achieve and sustain high levels of performance in all aspects of operating and maintaining our plants."



Preston Swafford

Swafford will manage functions in several areas previously within the Nuclear Support organization, including Nuclear Assurance & Licensing, Emergency Services, Project Management, Medical Services and Nuclear Security.

In addition, Engineering & Technical Services, Fuels Projects & Disposal, Process Methods and Business Services will report to Swafford to better align nuclear-plant support functions.

The realignment will allow Nuclear Generation Development VP Jack Bailey to focus attention on helping TVA determine how unfinished nuclear assets can best be used to meet future needs and NuStart Energy efforts.

Beecken to Lead Enterprise System Project

Rob Beecken, TVA Nuclear's vice president of Nuclear Support, has been named to lead the new Enterprise System Project – a TVA-wide information-technology project critical to improving efficiency across the company. The project will include the Enterprise Asset Management Project, the IT Infrastructure Project and the Financial Suite Project.

"Rob's project-management expertise and familiarity with operating plants and work-management applications will be a valuable asset to TVA as the company undertakes the new Enterprise System Project," says Chief Nuclear Officer Karl Singer. Beecken has more than 30 years of experience in the nuclear industry.

Beecken's primary responsibilities will be to develop and effectively implement an information technology-application strategy for finance, accounting, treasury, projects, accounts payable, accounts receivable, third-party billing, supply chain, facilities, fleet management, work and asset management, and corrective action. Beecken will report to John Long, Administrative Services executive vice president.

Dynamic dialogue: Ombudsman, Open Line and Empowerline

Ombudsman office a resource for workplace issues

TVA has created the ombudsman office to serve as a confidential resource for employees to report workplace issues.

DeWitt Burleson, a Human Resources employee, has been named TVA's first ombudsman.

As ombudsman, Burleson serves as an agency-wide consultant-mediator for employee workplace issues not addressed through a formal complaint process. The ombudsman will serve to protect employees from violation of rights, abuse of powers, error, negligence, unfair decisions and/or maladministration.

"Creating an ombudsman at TVA represents another step toward building a positive culture that embraces open and honest communications," says President & Chief Operating Officer Tom Kilgore. "The ombudsman's role is to listen to employees as individuals, as well as to work toward managing and resolving problems and concerns at an early stage."

The ombudsman has the authority to mediate, collect facts, make recommendations and facilitate resolution based on judgment and experience.

"The ombudsman serves as a designated 'neutral' who will maintain strict confidentiality unless given permission to do otherwise," Human Resources Vice President Phil Reynolds says. "The only exceptions, at the ombudsman's discretion, would be if the situation appeared to pose an imminent threat of serious harm to someone."

How to get in touch with the ombudsman:

- Via a confidential, dedicated internal TVA phone number: 865-632-6323
- Via a toll-free number: 1-888-632-6322
- Via e-mail at tvaombudsman@tva.gov (listed in Outlook's address book as "TVA OMBUDSMAN")
- Via an office visit in the Knoxville Office Complex, West Tower 3-233

Have a question? Get answers through 'Open Line'

This could happen to you: You're reading about a recent TVA decision or issue, or there's a television news report that mentions TVA. You have a question, and

while your supervisor is pretty smart, your question really is more about the big picture. Where do you go?

Straight to "Open Line," a new electronic question-and-answer process designed to equip employees with business information about TVA.

"Employees care about TVA, and they are our best ambassadors," says President & Chief Operating Officer Tom Kilgore. "It's important that we all have the answers we need to share the good news about TVA and our ability to compete. The 'Open Line' network is another way employees can ask questions and receive timely and accurate information."

Employees can e-mail their questions and comments to "Open Line," a special e-mailbox listed in the Outlook address book. Or, questions can be mailed interoffice c/o "Open Line" at SP 2B-C. The process respects requests for anonymity and treats all inquiries confidentially.

Responses will be posted on the new "Open Line" Web page, accessible from TVA's internal Web-site homepage. *TVA Today* will run information as it is updated.

Empowerline: Power to the people

Employees, contractors and the public can now report suspected fraud, waste or abuse affecting TVA to the new Office of the Inspector General-sponsored hotline system called "Empowerline."

Empowerline is administered by a third-party contractor and can be reached 24 hours a day, seven days a week, either by a toll-free phone call or over the Web. Users also can track the outcomes of concerns they report through Empowerline.

"The Empowerline hotline system offers a more convenient way for individuals to report their concerns and provides them additional assurances that they can remain anonymous or be ensured of confidentiality," says Inspector General Richard Moore.

The toll-free number for Empowerline is 1-877-866-7840. The Empowerline Web address is <https://www.oigempowerline.com/>.

The Empowerline Web page provides information about the types of concerns individuals can or should report to TVA's Office of Inspector General, as well as contact information about where to report other TVA-related concerns.



DeWitt Burleson



On target for ED goals

TVA's industrial-recruitment strategy is key to success in the Economic Development Winning Performance measure.

Through February of this fiscal year, TVA Economic Development's aggressive industrial-recruitment and retention strategies and strong commitment to community development are keeping the Winning Performance Economic Development Index on goal.

"The index is tracking above goal," says John Bradley, senior vice president of Economic Development. "We are seeing a marked increase this year in industrial-recruitment opportunities. The strategies we began pursuing three years ago are delivering great results, and that makes us confident we will meet our increased goals this year."

The Winning Performance Economic Development Index is made up of the following three components:

- The number of jobs created or retained
- The amount of capital investment leveraged
- A jobs impact score that measures the quality of the new or retained jobs.

For a job to qualify as created or retained, TVA or its Regional Industrial Development Association partners must have played some significant role in its creation or retention, says Bradley.

The RIDAs are distributor organizations that are equally funded by distributor customers and TVA. This fiscal year, the RIDAs have accounted for 21 percent of the jobs created or retained. Through February, TVA is just slightly below goal, having helped create 20,589 jobs against a year-to-date target of 22,000.

The capital investment-leveraged goal is performing well above expectations for the year, with \$2.377 billion in capital investment leveraged reported through February. A number of major project announcements contributed to these impressive numbers. New or expanded Valley industries include SeverCorr in Mississippi and Sysco, Eagle Bend, Federated Portland, Cobalt Boats, Colgate Palmolive and Nissan headquarters — all in Tennessee.

Through February, the jobs-impact indicator has tracked right at goal. The indicator measures the percent of jobs TVA helped add or retain that have average wages that exceed the Valley's average annual wage or are higher than average wages in counties with unemployment rates 25 percent higher than the Valley average.

"Our community-development program and events such as TVA's recent Valley

Winning Performance

TVA Balanced Scorecard for February 2006									
	Weight	Status	Actual YTD	Plan YTD	Year-End Forecast	Target	G	O	A L S
Financial									
• Net Cash Flow (\$ millions)	20%	⬇	15	240	222	394		456	548
• Financial Strength/Reduction in Total Financing Obligations* (\$ millions)	15%	⬆	33	323	340	340		420	500
• Productivity (kWhs Delivered/ Total Labor Cost)	10%	➡	91.4	98.4	89.6	93.0		94.8	96.7
Customer									
• Customer Impact (CPI+CSS)**(%)	10%	⬆	112.9	100	100	100		101.7	108.1
• Economic Development (index)	10%	⬆	136	100	100	100		110	120
Operations									
• Asset Availability (GWh Available/GWh Planned)	15%	⬆	100	100	100	100		101	102
• Environmental Impact *** (index)	10%	⬆	71	61	66	66		60	55
People									
• Safe Workplace**** (Recordable Injuries/hours worked)	10%	⬇	1.18	1.82	1.82	1.82		1.64	1.55
* To maintain continuity, the original performance measure name of Financial Strength is referenced with the new name, Reduction in Total Financing Obligations (TFO). ** CPI=Connection Point Interruptions and CSS=Customer Satisfaction Survey. Actuals reported quarterly. *** Actuals are reported quarterly. **** Includes TVA and staff-augmented employees; hearing events are excluded. Any TVA employee or staff-augment-									
Status: ⬆ = Forecast at or better than Target ➡ = Forecast worse than Target, but recovery is possible ⬇ = Forecast worse than Target, and recovery is unlikely ed contractor fatality or permanent total disability will prevent payout for this indicator at the TVA level as well as the affected SBU/BU.									
This scorecard has been posted on the Winning Performance section of TVA's internal Web site.									

Economic Developers' Forum are helping communities learn to be better competitors for new industrial projects and expansions, and that's helping turn the development leads we and our partners generate into jobs in the Valley," says Bradley.

TVA Economic Development also sends a quarterly accountability report card to distributor customers, partners and stakeholders across the Valley. The report highlights quarterly accomplishments and contains the same jobs and investment numbers used for Winning Performance.

— FRANK RAPLEY

Browns Ferry completes refueling outage ahead of schedule

Browns Ferry Nuclear Plant completed the Unit 3 Cycle 12 refueling outage March 22 at 10:24 p.m. CST when the unit was synchronized to the grid.

The total outage duration of 22 days, 13 hours and 24 minutes bettered the Asset Availability plan of 24 days for the outage.

"The team displayed discipline by completing the planned work scope and doing it safely and ahead of schedule," says Karl Singer, chief nuclear officer & executive vice president of TVA Nuclear.

"This performance required exceptional teamwork and preparation since it was only the second outage for 57 percent of the supervisors involved."

Singer says the site's safety performance and human performance for the outage was excellent. There were five total first-aid cases, no recordable injuries and no human-performance events.

"Being the sponsor of TVAN's Human Performance Top 10 Plan, I am especially proud that we completed the outage with no human-performance events," says Brian O'Grady, Browns Ferry site vice president.

TVAN's Top 10 Plans

1. Improving operating-unit reliability
2. Improving operational performance
3. Developing human resources
4. Improving human performance
5. Improving radiological and industrial safety
6. Increasing effectiveness of supplementary personnel
7. Eliminating low-value activities
8. Furthering the development of safety-culture consciousness
9. Developing corporate core competency in support of sites
10. Bringing Browns Ferry Unit 1 online

Fossil plants

continued from page 1

EAF represents the percentage of time in a year a unit is available for power generation. In 2005, the overall EAF for TVA fossil plants was 87.4 percent.

Record-setting FPG units

Contributing to the low EFOR and high EAF last year, the following fossil units started what became record runs for continuous generation in 2006:

- Johnsonville Unit 4 — Unit record: 300 days — May 12, 2005 to March 9, 2006
- Colbert Unit 4 — Site record: 275 days — June 6, 2005 to March 8, 2006
- Kingston Unit 6 — Unit record: 149 days — Oct. 7, 2005 to March 5, 2006

Another recently set milestone was a simultaneous run of all 10 units at Shawnee Fossil Plant in Kentucky. When Unit 8 came offline Feb. 24 for a planned outage, all Shawnee generators had been continuously online for 45 days.

"Though continuous-run records are good, the value of TVA's fossil plants is the ability to provide reliable and efficient power at the right time," says Bynum. "This is accomplished by good operations and maintenance practices and well-executed outages.

"Almost any way you look at it, 2005 was a good year for the Fossil Power Group, and we should all be proud of the hard work by Fossil employees to achieve the success."

— TERRY JOHNSON



Charting the course

continued from page 1

frugal in a smart way,” Kilgore says. “You’ve heard me say before that being frugal doesn’t mean not spending money when we need to spend it. It means being accountable and responsible for what we spend. I expect our top management to set this example.”

He says we have to do everything right and do things that make sense in order to move in the right direction.

“Little things make a difference. I challenge you to look at everything — from the prices of scrap metal that’s at your plants to underused cars that we are leasing or own.

“These are exciting times, because they demand the best out of all of us. Having the capability and opportunity to contribute is all we can ask for.”

TVA’s five keys to the future, as outlined by Tom Kilgore, closely relate to TVA’s Winning Performance measures

“TVA’s success will be evaluated by our financial, customer, operations and people accomplishments,” he says. “The five keys to the future are solid objectives we must achieve to compete in the competitive marketplace.”

- Operational excellence** — Operational excellence has to be our first priority. If we don’t deliver our product to customers efficiently and reliably, we fail. All employees at TVA can contribute to operational excellence.
- Debt repayment** — We have to learn to live within our means and change the way we look at budgeting. We have to determine if our spending on certain things is necessary. We need to be frugal in a smart way to ensure that we are getting the right value for all the things we spend TVA money on.
- Reformed relationships** — Reforming relationships with our power customers is extremely important. I am 100-percent

- optimistic we’ll get there, but it will take time and won’t be without some compromises. Overall, we need to treat our customers with respect, and I believe they will return that respect to us.
- Valley stewardship** — We have to approach environmental issues in the Tennessee Valley as if we live next door, because we do. We have to be good neighbors, not just with the environment, but also with economic development.
- Leadership at the top** — Top management at any company sets the tone for the rest of the organization. At TVA, we will start at the top and set the example by living the TVA Values.

Cash Reduction teams find needed savings

No stone was left unturned by the cross-functional Cash Reduction teams as they reviewed all major areas at TVA in March. As a result, for fiscal year 2006, TVA will reduce its cash expenditures by more than \$130 million, thus exceeding the targeted goal.

While the teams were successful in identifying the targeted cash reductions, it is now up to every manager and employee to ensure that those reductions and any other appropriate reductions are realized.

Staffing and Operations & Maintenance project teams will continue to review items, and ideas from employees will be reviewed on an ongoing basis.

The Chief Financial Officer organization will monitor the savings monthly. As part of the end-of-year forecast, all the teams will report the actual results to the Management Committee in September.

As plans for the reductions are finalized, results of the cost savings will be communicated to employees.

The following is an update on the team findings:

- Capital Projects** — Each Strategic Business Unit was asked to identify and rank potential reductions that would total at least 10 percent of their budgeted fiscal year 2006 capital. The team identified the risk or impact of each potential reduction, being as quantitative and specific as possible.
- All capital-project funding, including Browns Ferry Nuclear Plant Unit 1 restart, was taken into consideration. Examples of reductions and deferrals being considered include contractor/vendor reductions, delaying air-emission equipment installations at Johnsonville Fossil Plant and rescheduling some hydro-modification work.
- The president & chief operating officer added his full \$20-million reserve, for a total of \$50.6 million.
- Operation & Maintenance Projects** — The team reviewed eight major areas — including funding held in reserve at all levels as well as additional savings and uses, and current risks. Team members also reviewed the remaining O&M and outage projects for fiscal year 2006, the risk to FY ’06 and future years’ performance and the costs of deferring or canceling these projects.

- In addition, the team looked at options on how to manage work performed by contractors.
- The O&M team also requested all organizations to review all other external contracts for services for potential savings.
- The team concluded that holding some funds in reserve would provide adequate hedge against issues that might arise during the rest of FY ’06.
- Total savings is \$58.3 million.

- Staffing Team** — The Staffing Cash Reduction Team reviewed staffing and labor dollars to identify savings. In addition, the team looked at balancing cash-reduction efforts with future staffing needs.
- The team evaluated or is evaluating the following 10 areas: relocation expenses, managing overtime, compensation, temporary promotions, healthcare benefits, co-op and interns, negotiated labor agreements’ cost-saving tools, engineering (and other) supervisor ratios, the use of retirees to fill vacancies, and the review of staff-augmented contractors.
- The next actions will be to get commitments from the Strategic Business Units on some of the recommendations.

- Working Capital/Financial Team** — The team reviewed potential savings and risks from cash interest, external business, net proceeds from asset sales, nuclear-fuel fabrication, coal-inventory forecast, supplies and materials inventory management, insurance premiums, fuel-oil inventory reductions and tax payments.
- For example, the forecast of coal inventories based on current fuel-supply forecast was revised. Although this is viewed as low risk, unforeseen risks such as disruption in transportation could impact TVA’s ability to achieve the expected savings. In the Procurement area, improving the target inventory optimization levels, increasing approval requirements through the Site Inventory Review committees, reviewing high-dollar inventory purchases and improving restocking procedures would help TVA reach its cost-saving goal.
- Total potential savings from reductions and deferrals is \$74 million.

Cash Reduction Team members and contributors

- Capital Projects** — David Hall, vice president of Electric Systems Projects
- Team members:** Rob Beecken, TVA Nuclear; Diane Bunch, Administrative Services; Janet Herrin, River System Operations & Environment; Jim Keiffer, Customer Service & Marketing; Dennis Lundy, Fossil Power Group; Sherry Vermillion, Chief Financial Officer organization
- Operation & Maintenance Projects** — led by Ed Freeman, vice president of Fossil Operations
- Team members:** Dan Cothron, Administrative Services; Ron Rogers, Power System Operations; Lanny Thornsberry, TVA Nuclear; Sherry Vermillion, Chief Financial Officer organization; Ron Williams, River System Operations & Environment
- Staffing Team** — led by Phil Reynolds, vice president of Human Resources
- Team members:** Bill Bain, Fossil Power Group; Carolyn Burkhart, Administrative Services; Amanda Hamala, Human Resources; Nick Moon, TVA Nuclear; Kim Patterson, Chief Financial Officer organization; Wayne Robertson, Information Services; John Walker, Human Resources
- Working Capital/Financial Team** — led by Paul LaPointe, senior vice president of Procurement, and Randy Trusley, vice president & controller, Chief Financial Officer organization
- Team members/key contributors:** Barry Barnett, Controller; Phil Brown, TVA Nuclear; Mike Hendon, Fossil Power Group; Deborah Kearnaghan, Controller; Mike Metcalf, Procurement; Chris Mitchell, Risk Management & Economic Analysis; Jeff Newsome, Power System Operations; Ron Owens, Customer Service & Marketing; Jacky Preslar, FPG; Ron Rogers, PSO; John Rymer, Treasurer; Mike Sanford, River System Operations & Environment; Mike Scott, FPG; Mike Skaggs, TVAN; Bob Stinson, Controller; Bob Tannis, FPG; Tammy Wilson, Treasurer

Teamwork, collaboration, quick work — a shining example

When Sequoyah Nuclear Plant's Mike Isenhour 'played on a bigger team,' his expertise in interpreting thermograph images helped Fossil Power save weeks of outage time and millions of dollars.

In January, Johnsonville Fossil Plant's Unit 5 came offline due to an electrical fault in the generator. Thermograph images from the infrared inspections appeared to indicate that the repairs were not successful.

The outcome looked bleak.

"A vendor was recommending complete rework of the generator's stator — a solution that would cost more than \$2 million and take at least two months," says Vice President of Fossil Operations Ed Freeman. However, Fossil Power Group engineers were not convinced and looked for help.

"The first call came in about 7 p.m. on a Thursday," says Sequoyah Nuclear Plant Predictive Maintenance Specialist Mike Isenhour. "They asked me if I could analyze the test data and provide a 'second opinion' on the vendor's recommendation."

Isenhour analyzed thermographs e-mailed to him that night. Questions raised during a Friday morning conference call among Isenhour and technical staff at Johnsonville, the Power Service Shops in Muscle Shoals and corporate FPG made it clear that a closer look at the problem was needed.

Soon after the conference call ended, a helicopter picked up FPG Generator Engineer Jim Hovious and Isenhour at Sequoyah and flew them to Johnsonville. Another set of infrared inspections was conducted and the results were analyzed.

"With Mike's expert help, we were able to determine that the generator did not need the expanded scope of repairs that the earlier data suggested," Freeman says. "We could start reassembling the generator instead of facing months of idle time waiting for the vendor to do unnecessary work."

"Mike's contribution is just one example of demonstrating the value of TVA employees and how they can impact the bottom line."

Isenhour says he's happy he can make contributions that are helping TVA avoid



Mike Isenhour's quick turnaround helped save TVA more than \$2 million and months of work.

unnecessary expenses.

"I am most proud that I was able to play on a bigger team and use the expertise I've developed while working at TVA to help us remain an industry leader — although I really enjoyed the helicopter flight on such a clear day over some of the most beautiful land in the country," he says.

— TERRY JOHNSON

Employees submit ideas on saving TVA dollars

Many employees took the time to think about and e-mail suggestions on how TVA could reduce costs. The Cash Reduction teams are evaluating these ideas for potential use.

When President & Chief Operating Officer Tom Kilgore asked employees for their ideas on how to reduce cash expenditures, 204 employees submitted their ideas for consideration to the four Cash Reduction Teams. Some of the same ideas were submitted by several employees.

"We appreciate the employees taking their time to share their ideas with us," Kilgore says. "Employees know the work of TVA as well as or better than anyone else, and it just made sense to include them in the process."

The teams are currently evaluating the suggestions they received. Here is a sampling of excerpts from some of the suggestions:

"TVA should consider simplifying the new Design Change Notice process being used for non-nuclear design engineering work." — Three employees who work in different organizations individually submitted



Charles Dean



Steve Poteet



Travis Hobbs

the same idea: **Charles Dean**, engineer design technician, Electrical, Fossil Power Group, Chattanooga; **Steve Poteet**, principal mechanical engineer, River System Operations & Environment, Chattanooga; and **Travis Hobbs**, senior system engineer, Power System Operations, Johnson City

"Implement a single, Web-based information-management 'tools' system for PERs, Work Orders, Design Change Notices and P3-scheduling." — **Chris Boschetti**, manager, Electrical Engineer Design, TVA Nuclear, Browns Ferry

"To reduce travel costs, consider training employees at their local work sites rather than sending employees offsite to another TVA facility." — **Bill Jochym**, TVA Police, Chattanooga

"Reduce the amount of paper used daily to lower the costs of paper, operation and maintenance of copiers and printers." — **Holly Oswalt**, auditor, Office of Inspector General, Knoxville



Chris Boschetti



Bill Jochym



Holly Oswalt

"My suggestion is to start using compact fluorescent light bulbs in dose areas and areas that are typically dark due to incandescent bulbs burning out. These bulbs last about 12,000 hours and although the initial cost is more, they use significantly less wattage, which would be a huge cost savings for TVA in the long run. It would also mean less chance an area in a plant or office would not be lit due to a bulb burning out thus reducing the risk for injury to employees. This would also cut down on time spent replacing incandescent bulbs." — **Rohn Poe**, senior instrument mechanic, Sequoyah Nuclear Plant



Rohn Poe



Cindy Webb

"Save travel costs by using the video-conferencing technology." — **Cindy Webb**, technical reports writer, River Operations, Knoxville

"Start a Web site to publicize outage work opportunities for retirees or other Trades & Labor workers who wish to be on call for seasonal work." — **Nancy West**, business analyst consultant, Fossil Power Group, Bull Run Fossil Plant



Nancy West

ACROSS TVA



Building a dream, part 3

Vyrone Cravanas, manager in Employee Relations & Diversity, and other volunteers hoisted, hammered and sawed at the Habitat for Humanity Blitz Day March 11 in Knoxville. For the third consecutive year, TVA is sponsoring a habitat house to celebrate the legacy of Dr. Martin Luther King Jr. This year, TVA is partnering with Knoxville Habitat for Humanity, the Greater Knoxville Dr. Martin Luther King Jr. Commemoration Commission and the University of Tennessee to build a four-bedroom home for Tracey Branner and her three children. TVA is financing half the cost of the house and will have the home certified through the *energy right* program, a partnership between TVA and distributors of TVA power that promotes energy efficiency in home-building. Volunteers are needed to finish the house on May 6. To sign up or for more information, call or e-mail Nancy Harbin (632-7870, nbharbin@tva.gov).



Young engineers unite

From left, Zackary Rad, an operations specialist at Sequoyah Nuclear Plant, Jennifer Smith from Operations at Sequoyah, Anne Nash from Corporate Civil Design, Ashley Taylor from Corporate Electrical Design and Amanda Caldwell from Corporate Electrical Design recently represented TVA and the North American Young Generation in Nuclear organization at the University of Tennessee at Chattanooga's Engineers Day event. The event hosted about 100 high-school students interested in engineering and technical sciences, as well as college students, alumni and teachers. NA YGN members discussed the advantages of nuclear power and engineering opportunities within the industry and at TVA.

TVAN's first Leadership Academy grads begin new jobs

Sixteen future leaders of TVA Nuclear have graduated from TVAN's first Leadership Academy.

The TVAN Leadership Academy class of 2006 included the following:

Bruce Buch, Sequoyah Operations; **Ron Burkett**, Sequoyah Maintenance; **Mike Casner**, Corporate Engineering; **Steve Cephus**, Browns Ferry Engineering; **Gabe Franceschi**, Watts Bar Project Management; **Phil Johnson**, Sequoyah Operations/Fire Protection; **Henry Lee**, senior reactor operator candidate, Sequoyah; **Chris McDaniel**, Watts Bar Outage Planning; **Paul McFall**, Watts Bar Maintenance & Mods; **Brian McNutt**, Browns Ferry Operations; **Steve Partch**, Watts Bar Training; **Tim Scott**, Browns Ferry Operations; **Keith Skubisz**, Watts Bar Operations Support; **Clif-**

ford Smith, Corporate Engineering; **Tim Taylor**, Watts Bar Radiation Protection; and **Garett Tinkle**, Watts Bar Maintenance.

The intensive seven-week program includes coursework, tours of TVA facilities, business metrics, leadership challenges and labor-management relationships.

The program was developed by Bill Lagergren as TVAN explored ways to address a shortage of future leaders. Lagergren, who has since retired, was vice president of TVAN's Workforce Initiatives & Performance Improvement organization.

TVAN already has begun planning for next year's program and hopes to balance the class with more internal candidates. The 2006 class was made up of 12 external candidates and four internal ones.

TVA, distributor-customer employees receive EPRI awards

The Electric Power Research Institute recognized 10 TVA employees and three employees of TVA distributor customers earlier this year for their accomplishments in research-and-development initiatives and projects for 2005.

EPRI is the leading independent provider of science and technology solutions for the global electricity industry. Through these awards, EPRI recognizes the efforts of TVA and its distributor customers to develop and implement new technologies to meet energy needs in the Tennessee Valley.

Seven TVA Nuclear employees received Technology Transfer awards, which go to those who help implement or demonstrate new EPRI-developed technologies, improve industry practices or support industry initiatives.

Three other TVA employees received Power Delivery Product Champion awards. These awards recognize those who con-

tribute to making the application or commercialization of new EPRI-developed technologies or tools a reality.

In addition, Pickwick Electric Cooperative President Karl Dudley and Operations Manager John Bowers, as well as Tullahoma Utilities Board General Manager Joe Loggins, earned Power Delivery Product Champion awards for their work to improve the reliability and safe operations of power systems.

The TVA Technology Transfer award winners are as follows:

John Corey — Browns Ferry Radiation & Chemistry Control restart manager

Scott Holcombe — Nuclear Fuel design engineer

Keith Nesmith — Browns Ferry radiological chemist

William Smith — Radwaste & Environment Protection program manager

Greg Storey — Boiling Water Reactor Fuel Engineering manager

Mike Turnbow — Inspection Services manager

John Underwood — Browns Ferry chemistry supervisor

The TVA Power Delivery Product Champion award winners are as follows:

Mark Goff — Transmission system engineer in Power System Operations

Joe Graziano — Program manager in River System Operations & Environment's Research & Technology Applications group

Ralph McKosky — Project engineer in RSO&E's Research & Technology Applications

More information on these awards is in the online edition of *Inside TVA*.

Achieving savings, efficiencies one location at a time

Reduce, reuse, recycle. That's the mission of TVA Facilities Management and the Strategic Facilities Plan.

"TVA's having too much space doesn't make it any more efficient," says Terrell Burkhart, vice president of Facilities Management. "While excess office space was one of the reasons for developing TVA's first comprehensive Strategic Facilities Plan in 2001, we are now looking for every opportunity to reuse and recycle materials that have been used in areas throughout TVA."

He says the initial five-year goal was to reduce office space by 15 percent and achieve savings of about \$25 million.

"We've exceeded this goal with a 17-percent reduction in space and more than \$27 million in savings and cost avoidance."

About 521,000 square feet of property has been reduced. This includes the Haney Building and the Old Post Office in Chattanooga, the Highland Ridge Tower in Nashville, the old Johnson City Customer Service Center, the Kannex Building (old Wendy's building) in Knoxville, and the Forestry, Aquatic Biology Lab and Natural Resources buildings in Norris.

Strategic Facilities Plan efforts are now focusing on selling or leasing the East Tower in Knoxville. That's where the reuse and recycle come in.

"To make the East Tower more marketable and to immediately reduce TVA's operating costs, most of the occupants of the East Tower are being relocated to available space in the West Tower," Burkhart says. "In addition to the cost-saving advantages, many organizations are receiving the benefit



Charles Coward, a general maintenance worker in Facilities Management, is reviewing the design for renovations to the West Tower office space in Knoxville.

of more efficient operations due to work groups being on the same floor."

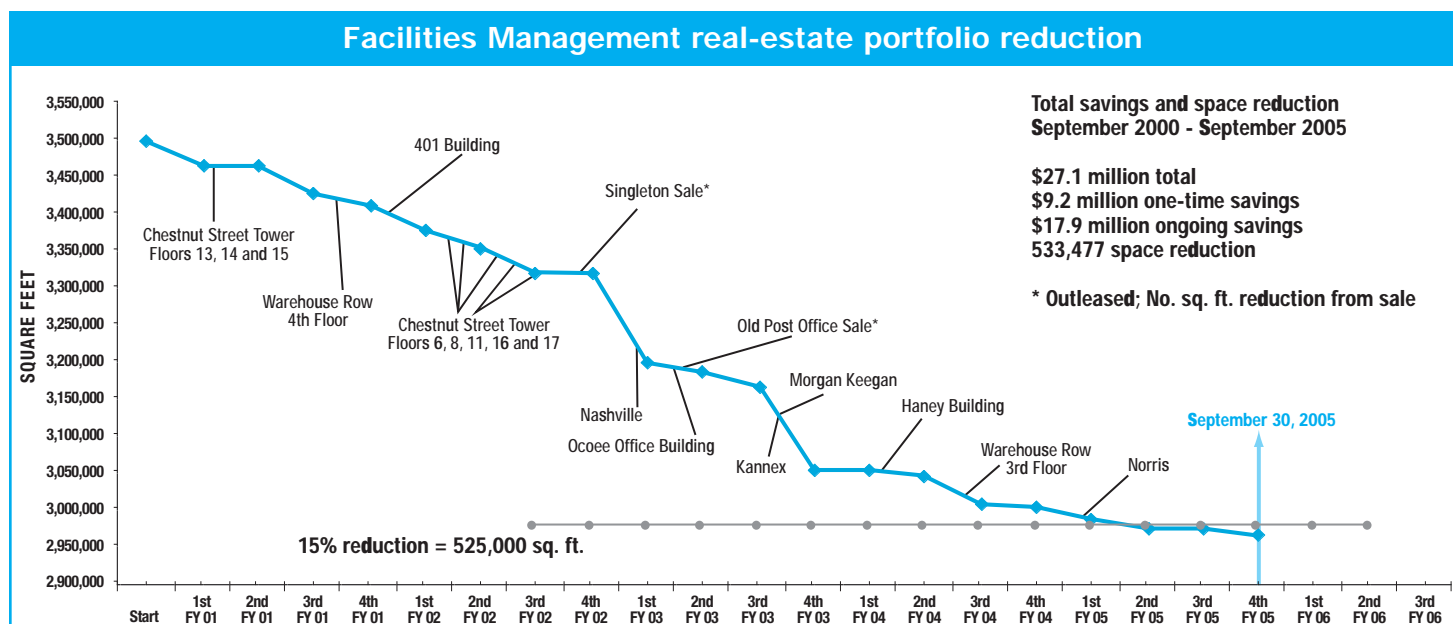
Planning for the consolidation of

employees to the West Tower was critical to making the move economically feasible. Existing furniture systems, demountable wall systems, artwork and signage were taken from stock rather than purchasing new items.

"Using items we already had in inventory for the Knoxville Office Complex consolidation project and deploying material to other TVA projects across the Tennessee Valley resulted in savings of more than \$1 million," says Burkhart. "Annual operating and maintenance savings for the East Tower are about \$400,000."

"We used a significant amount of internal labor resources to reduce the typical contract cost for facility-modification work. And, we sent surplus office supplies and materials to other TVA sites or donated them to various TVA Partners In Education schools."

— KELLEY MURRAY



Eating right + exercise part of new food pyramid

Achieving better nutrition and exercise habits is an ongoing process of gradual improvements. The new food pyramid's interactive Web site can help you individualize your eating plans.

The traditional food pyramid was made up of horizontal bars with the recommended daily food proportions. The new pyramid, introduced in 2005, displays brightly colored bands, each of varying widths, stretching vertically from the base to the tip and representing a different food group.

The different widths of the food-group bands indicate proportionality and show in a simple way how much of a total day's intake should come from each group.

But food isn't the only part of the new pyramid. One side of the structure features a figure climbing up stairs to emphasize the importance of activity. Generally, people need at least 30 minutes of moderate exercise daily. This amount exceeds the activity level of most Americans.

Whether you're interested in losing, gaining or maintaining your weight, the Web site — www.MyPyramid.gov — helps you determine the appropriate daily calorie level and meal plan for healthful eating.

Food-intake information shown on printed ver-

sions of the new pyramid is still based on a 2,000-calorie diet but is more specific than before. It encourages people to eat specific quantities of high-nutrition foods from each food group, rather than merely suggesting a number of servings. For example, the bread group is now referred to as "whole grains," and at least three one-ounce servings should be consumed each day to maximize nutrient and fiber intake.

Similarly, the vegetable group encourages eating two and one-half cups of vegetables from different subgroups, including dark green, orange and starchy vegetables, as well as legumes. Again, the message is to consume a variety of foods to maximize total daily nutrients.

For the fruit group, two cups per day help provide

many vitamins and minerals that we could otherwise lack.

The use of oils should be limited and should focus on those that are unsaturated, such as olive or canola oil and nuts.

The dairy group encourages three cups daily of fat-free or low-fat milk products to supply the calcium we need without all the calories and saturated fat of whole-milk products.

With the meat and protein group, about five to six ounces of lean meat or the equivalent provides high-quality protein without too much saturated fat.

The pyramid on the Web site also allows for discretionary calories. These can be applied to extra food-group servings or used for added goodies to keep you from feeling deprived while staying within your daily calorie allowance.

— ANITA MILSTEAD,
Live Well program manager, Knoxville



MyPyramid.gov
STEPS TO A HEALTHIER YOU

INSIDER

Harris and TVA — helping tails tell a happy tale

Dorothy Harris's kitchen is literally littered with two mama dogs and nine pups. But this foster mom will soon be finding happy homes more than 900 miles to the north for these and many others.

Dorothy Harris is a fanatic about finding good homes for unwanted dogs. And she's serious about solving pet overpopulation problems.

Two words will solve the problems: "spay" and "neuter," says Harris, a hydro multi-skill tech III working out of Ft. Loudoun Hydro Plant.

Now, with the help of TVA's Community Connections program, she and two animal-rescue groups are able to save the lives of hundreds of dogs and puppies that were unwanted in Tennessee, but are in much demand in New York and New Hampshire.

"Because of Community Connections, I'll be able to rent a larger truck to transport 100 dogs and puppies this month to the SPCA of Upstate New York in Queensbury," Harris says.

"The Monroe County Friends of Animals received a \$250 grant, and Friends Fur Life received one for \$250. That will pay for the truck rental and some of the gas. TVA's donation is making it possible for us to make a run that we would not have been able to make."

Harris, who volunteers about 75 hours a month with the animal organizations, says it took fewer than 10 minutes to fill out the Community Connections application.

"My production manager, Jane Wells, e-mailed the information to me. All I had to do was fill out two pieces of paper. The animal organizations I work with signed them and mailed them to TVA for me."

In February, Harris took four purebred Plott hounds, two purebred bluetick hounds and some purebred beagles to New York.

"They are much in demand," she says. "People were standing in line before we could get the truck unloaded. There was almost a riot to get the dogs."

"Of course, before they are released to anyone,

the dogs are spayed or neutered, get all their shots and are checked for heartworm."

Harris comes by her passion for animals naturally.

"I grew up in an animal-rescue environment. My mom was doing this when I was a kid. I've been doing this for 30 years. When I was in the Navy in Guam and then as an aircraft contractor in South Korea, I would go to places to teach people a better way to treat animals."

Back in the United States, Harris continued the challenge of the slow process of education. And she is adamant about making sure the dogs go to safe homes.

Before transporting any dogs to shelters, she does a complete background check on the organization.

"Groups in New Hampshire, Connecticut and West Virginia want us to transport dogs to their states," Harris says. "We do a lot of homework before we do. We visit the organization, take pictures and talk with people in the community. We want to make sure none of these dogs is going to someone for research or to be used as bait to train fighting dogs."

Harris would like to see the pet overpopulation problems in the United States eliminated, but knows there is a long way to go.

She also is working to establish more low-cost

spay/neuter services in the area.

"I can't stress enough — spay/neuter. I encourage people to do adolescent, or early-age, spay/neuter. Dogs and cats can have the surgery as early as eight weeks when they are two pounds. This solves a lot of future health and behavior problems as they get older."

— NANCY CANN



Dorothy Harris holds two of the foster pups that will be up for adoption in New York, while her own chihuahuas move in to claim some attention.

people, plaudits and promotions

Three Fossil Power Group employees have completed the requirements of the COO Engineering Graduate Progression Program.

These employees are **Preston Cooper** of Engineering Design Services, **Aaron Melda** of Components & Systems Engineering's Steam Cycle Systems Group and **Melissa Thompson** of Components & Systems Engineering's Air, Gas, Water & Yard Systems section. Cooper graduated in 2000 from Auburn University with a degree in electrical engineering. He has now achieved the senior engineer level in Electrical & Controls Engineering. He is responsible for various capital projects including Widows Creek Fossil Plant Generator Protection Relays and the TVA Arc Flash Program. He also has developed programs in the electronic storage on auxiliary power analyses and relay setting sheets. Melda, stationed in Chattanooga, is responsible for the senior engineering duties for Allen and Galatin fossil plants concerning the steam turbines and auxiliaries. Thompson earned a degree in chemical engineering from the University of Alabama. She is responsible for the senior engineering duties in the Environmental Systems Unit and is primarily



Preston Cooper



Aaron Melda



Melissa Thompson

focused on support of the Flue Gas Desulfurization systems.

Lloyd Quillen, a 25-year TVA veteran and system engineer in the Transmission Operations & Maintenance organization's Nuclear Area at Sequoyah Nuclear Plant, recently was named "TOM Professional of 2005." The TOM Professional Recognition Program gives employees of the organization an opportunity to acknowledge their peers and express appreciation for superior performance and sustained commitment to STAR 7 values. "Lloyd Quillen is a team player both inside and outside TVA," says TOM Vice President Ron Rogers. "Lloyd exemplifies the STAR 7 values found in each category — integrity, respect, accountability, teamwork, continuous improvement, honest communication and flexibility — upon which the TOM Professional Program is built." Rogers says TOM professionals represent more than just themselves. "They are part of a larger team, and in accepting the award Lloyd was quick to acknowledge his respect and appreciation for the team of professionals he works with daily." The other quarterly TOM professionals also were honored during the awards ceremony in December. In addition to Quillen, the quarterly award winners were **Roma Ratliff**, a transmission system technician at Kingston; **Charles Dixon**, an electrician at Watts Bar; and **Roger Talbott**, a transmission system technician at Alcoa.



Lloyd Quillen

community connections

Let TVA contribute to the causes you support!



Through Community Connections, your hours of volunteer service can earn financial grants for your favorite nonprofit agencies.

See TVA's internal Web site for guidelines or contact Corporate Contributions at 865-632-8867.

NOTE: Funding is limited, so sign up now!